

A. OVERVIEW

The Northern Land Border Subcommittee made site visits to a number of POEs this year and also conducted stakeholder sessions to benefit from direct input from users and affected organizations. The universal concern expressed by these stakeholders was that the introduction of an entry/exit system must not create further delays or congestion, or disrupt the flow of low-risk cargo and people across the border.

The Northern Land Border Subcommittee's recommendation for exit tracking is illustrated in detail by one possible method of operation wherein individuals subject to entry/exit tracking (visa and visa waiver individuals) be issued a machine-readable card upon application or arrival. The card would contain applicable data, including the required exit date, and would be color-coded to indicate authorization for single or multiple entry/exit(s). Travelers will produce the card when attempting entry to or exit from the U.S., and inspectors will use an automated reader (e.g., a magnetic stripe reader, embedded chip, or other system) to verify data and create an entry/exit record.

Upon entry to the U.S. (at secondary inspection) the identity of the presenter would be verified using biometrics, and the card would be read using a simple push-pull insertion. Upon exiting the U.S. via the Canadian land border, individuals subject to tracking would be inspected by Canadian customs inspectors. These individuals would present their machine-readable card along with the documents required for Canadian inspection. The Canadian customs officer, after verifying the identity of the individual from the passport for his own purposes, would insert the card into the reader. This input of the exit date would activate the entry/exit match and reporting process. If the card was for single entry/exit, the officer would confiscate the card into a collection box for U.S. officials. If the card is multi-entry/exit, and the reading did not indicate an expired maximum exit date, the card would be returned to the individual with their passport for further use.

The proposed exit tracking system for visa and visa waiver individuals provides the same level and quality of exit tracking data. It primarily utilizes existing infrastructure and staff, thus avoiding massive costs for construction and new staff. Most importantly, the proposal avoids creating a new exit stop at land border POEs and the associated, foreseeable delays and congestion.

The Subcommittee supports expanding and moving forward with the announced NEXUS and FAST pre-enrollment and pre-clearance programs for low-risk passengers and cargo **in addition to** any developments for an entry/exit system. The Subcommittee fully supports the announcements by the White House and Canadian Government on September 9, 2002, for implementation of NEXUS at all high-volume crossings between the two countries by December 31, 2003. Four POEs currently have NEXUS in operation. The remainder of the crossings will be implemented in phases between January 2003 and the December 31, 2003, deadline. The joint U.S./Canada NEXUS system allows approved pre-enrolled U.S. and Canadian low-risk travelers to travel through dedicated lanes, thus reserving resources for increased scrutiny of travelers not identified as low-risk. Currently, a full background check, including fingerprints, is conducted in both U.S. and Canadian databases during enrollment to ensure that there are no criminal actions/history or border infractions on that particular person.

Upon completion of the checks, travelers are placed in a low-risk category and a proximity card is issued to each individual. The cards are individually read via radio frequency upon arrival at a POE. Information, including photos, for every individual carrying a NEXUS card in the vehicle appears on the inspector's monitor for verification and processing.

The trade community has been following closely or directly involved in the development and implementation of low-risk, joint U.S./Canada traveler and cargo systems. USCS and Canada Customs and Revenue Agency have been developing various programs to help facilitate the flow of trucks and goods being transported across the border such as the Automated Commercial Environment (ACE), International Trade Data System (ITDS), Canada's Customs Self Assessment program (CSA), Canada Customs Partners in Protection program (PIP), and the USCS Trade Partnership Against Terrorism (CTPAT). Recently, President Bush and Canadian Prime Minister Chrétien announced a joint U.S./Canada low-risk cargo system known as Free And Secure Trade (FAST).

The Northern Land Border Subcommittee strongly believes that it is in the best interest of the U.S. to engage Canada as a full partner in securing our mutual border. The Subcommittee recommends (unanimously by industry, governors, and county government members) that the long-standing documentary exemption for U.S. and Canadian citizens be continued in the context of entry/exit. Changing Canadian documentary requirements has the potential to undermine that partnership and, if considered, should be explored only in a joint setting.

B. SUBCOMMITTEE REPORT

An overview of the DMIA Task Force responsibilities and relevant statements by public officials follows.

The DMIA Task Force

The Task Force was formed by Section 3 of the DMIA (P.L. 106-215) and is charged with evaluating how the Government can "efficiently and effectively carry out" the mandate of Section 110 of the IIRIRA (8 U.S.C. 1221 note), as amended by the DMIA, to create an "integrated entry/exit system" at all U.S. POEs to match available data (specifies there be no new documentation and maintains Canadian exemption) regarding entry of non-citizens with exit data.

The Task Force is also charged with evaluating how the U.S. "can improve the flow of traffic at airports, seaports and land border ports" by "enhancing systems for data collection and data sharing, including the integrated entry and exit system...by better use of technology, resources and personnel, increasing cooperation between the public and private sectors, increasing cooperation among Federal agencies and among Federal and State agencies, and modifying information technology systems while taking into account" the different situations at airports, seaports, and land POEs. The Task Force must also provide costs for each of its recommendations.

For its part, the Government, through the Attorney General, is required to "continuously update and improve" the data system "using the recommendations of the Task Force." The Task

Force is also authorized to obtain any information from the U.S. Government necessary to carry out its mission. The Attorney General is required to submit a report to Congress by December 31 of each year (beginning in 2002) containing the “findings, conclusions and recommendations of the Task Force.”

Finally, the DMIA expresses the sense of Congress that the Government shall “consult with affected foreign governments to improve border management cooperation.”

The Entry/Exit System

While the system contemplated by the DMIA was aimed primarily at enhancing the ability of the government to track individuals who “overstay” their visa admission period, the events of September 11, 2001, and subsequent legislation have expanded the mandate for the system to also work as a tool to prevent terrorist entry to the U.S. and to enhance the ability of the Government to follow the movements of foreign nationals into, out of, and within the U.S. In concert with other initiatives aimed at preventing the entry of terrorist weapons, these pushes for enhanced security could result in negative impacts on the flow of legitimate traffic at our POEs.

However, the Task Force firmly believes that there are two security elements, both of which must be enhanced in light of the horrific events of September 11, 2001. First, the public must be protected from terrorist acts and injuries. Second, the economic security of the U.S. and its trading partners must be preserved. The latter depends on the efficient and facilitated movement of individuals and legal trade activity. The entry/exit system must facilitate cross-border traffic (goods and people) while simultaneously enhancing national security. **The Task Force believes strongly that an entry/exit system that enhances physical security while jeopardizing economic security is an unacceptable solution to protecting our borders.**

Therefore, for this report, the Northern Land Border Subcommittee examined issues relating not only to the entry/exit system, but also to the improved functioning of the northern border POEs regardless of the new system. The Subcommittee recognized that the imposition of an entry/exit system on the northern land border without efforts to improve the current traffic flow for all vehicles would result in massive delays; thus, this report addresses many elements of traffic facilitation generally, as well as the potential integration of those efforts into the creation of an entry/exit system.

Support from Government Leaders

Members of the present administration generally share this position. In various forums, the President, the Director of Homeland Security, the Commissioner of USCS, and the Commissioner of INS have all expressed the need to balance security with the facilitation of legitimate trade and travel at our borders.

“We must closely monitor who is coming into and out of our country to help prevent foreign terrorists from entering our country and bringing in their instruments of terror. At the same time, we must expedite the legal flow of people and goods on which our economy depends.” *President George W. Bush,*

transmittal letter for legislation proposing the Department of Homeland Security, June 18, 2002.

“We must prevent foreign terrorists from entering and bringing in instruments of terror, while at the same time, facilitate the legal flow of people and goods on which our economy depends [Y]ou’ll find that the enhancement of security without appropriate recognition that we also need to make sure that we have a continuous flow of goods and services and people across [our] borders wasn’t the long-term solution” *Governor Tom Ridge, testimony before the House Government Reform Committee, June 20, 2002.*

“Customs and the trade community need to combine our knowledge and expertise to keep the weapons of terror out of the U.S. And we must devise ways to do this without choking off the flow of trade, so important to the U.S. and the world economy. . . . [W]e pledge to continue to work with our partners in the trade community to devise solutions that meet the needs of business **and** our national security.” (Emphasis in the original.) *Customs Commissioner Robert C. Bonner, opening address to the Trade Symposium 2001, November 27, 2001.*

“An effective and efficient entry/exit system is of key importance. The DMIA Task Force is to advise, assess, recommend in the process of fashioning a system, which must facilitate flow of low risk goods and people. Entry/exit must not impede.” *INS Commissioner, Jim Ziglar, inaugural meeting of the DMIA Task Force, February 20, 2002.*

“In addressing the global threat of terrorism we quickly concluded that national and economic security were mutually reinforcing objectives. We recognized that we could and must enhance the security of our border while facilitating the legitimate flow of people and goods upon which both of our economies depend.” *Governor Tom Ridge and Deputy Prime Minister John Manley, Joint Statement at the Smart Border Declaration 6-Month Progress Report, Niagara Falls, Ontario, Canada, June 28, 2002.*

Overview of the Northern Land Border and Its Unique Considerations

Our economic security is founded on our trading relationships, especially with Canada with whom we share the world’s largest trading partnership. The efficient flow of goods entering the U.S. or Canadian economies across the land border is essential to the economic security of both countries. Given that both nations must, and will achieve the required level of security for protection of the citizens of both countries, the U.S./Canada border-crossing process must also result in elimination of costly delays and contribute to productivity. In addition, the U.S./Canada region is one of the world’s premiere destinations for international travelers. The tourism trade between the U.S. and Canada is a major contributor to economies on both sides of the border. Canada and the U.S. each supply the other with the largest number of travelers. Some statistics will illustrate the magnitude of the importance of this border and relationship.

Trade and Commercial Traffic U.S. Trade with Canada

Year	Exports and Imports, Goods, Services, and Income in Billions
1988	\$194
1989	\$207
1990	\$217
1991	\$219
1992	\$234
1993	\$259
1994	\$297
1995	\$331
1996	\$353
1997	\$387
1998	\$393
1999	\$437
2000	\$489

Source: U.S. Department of Commerce

U.S./Canada Merchandise Trade by All Surface Modes, Year 2000

Top 10 Land POEs	Value in Billions*
Detroit, MI	\$94.3
Buffalo-Niagara Falls, NY	\$70.0
Port Huron, MI	\$59.6
Champlain-Rouses Point, NY	\$17.2
Blaine, WA	\$12.3
Alexandria Bay, NY	\$12.0
Pembina, ND	\$10.6
Sweetgrass, MT	\$7.8
Portal, ND	\$6.6
Eastport, ID	\$2.7

Source: U.S. Department of Transportation, Bureau of Transportation Statistics, Transborder Surface

* Value in billions of U.S. dollars not including non-goods values.

Top Twelve Land Ports for U.S./Canada

Port	Total Inspections- FY 2000
Ambassador Bridge, MI	14,704,896
Niagara Falls, NY	14,417,428
Detroit Tunnel, MI	13,854,780
Port Huron, MI	8,856,916
Peace Bridge, NY	8,679,638
Blaine, WA	5,517,084
Sault Ste Marie, MI	4,242,269
Pacific Highway, WA	3,752,965
Calais, ME	3,433,933
Massena, NY	3,112,124
Champlain, NY	2,847,152
Thousand Islands, NY	2,321,213

Source: INS G-22.1 – Inspection Dat.1

Truck Volume at U.S./Canada POEs
(In Thousands)

Crossing Name	Average Annual Growth Rate (past 10 years)	Volume in 2000	Forecasted Volume in 2020
Calais, ME	5.5%	239.5	482.0
Houlton, ME	6.6%	207.0	356.0
Jackman, ME	4.3%	121.1	169.2
Derby Line, VT	10.2%	267.0	394.7
St. Albans, VT	8.3%	307.4	408.1
Champlain, NY	5.1%	769.2	966.7
Seaway Bridge, NY	4.3%	131.2	191.4
Ogdensburg, NY	3.0%	57.8	80.9
Thousand Islands Bridge, NY	6.0%	542.7	860.7
Lewiston Bridge, NY	4.7%	1,019.5	1,416.8
Peace Bridge, NY	5.0%	1,439.8	2,227.4
Ambassador Bridge, MI	8.3%	3,486.1	5,051.2
Detroit Tunnel, MI	-4.1%	170.1	187.0
Blue Water Bridge, MI	8.2%	1,576.8	2,943.7
Sault Ste. Marie, MI	7.3%	137.8	239.6
Grand Portage, MI	5.9%	64.2	123.2
Int'l Falls, MN	3.6%	92.3	147.4
Oroville, WA	5.6%	64.8	123.9
Sumas, WA	8.4%	186.5	378.3
Lynden, WA	6.8%	120.6	232.5
Blaine, WA	8.5%	952.0	2,258.4
Total		11,953.4	19,239.2

Source: Canadian National Roadside Study, Courtesy of Eastern Border Transportation Coalition

Passenger and Tourist Traffic

In Fiscal Year 2000, at all U.S. border crossings “people volumes” occurred as follows:

- Total 534 million inspections, of which 179 million were U.S. citizens (34 percent).
- By type of port, the number of people and percent of the total are:
 - By air, 84 million (16 percent);
 - By sea, 12 million (2 percent), cargo vessel 2.4 million and cruise 9.6 million;
 - By land border, 438 million (82 percent), U.S./Mexico 324 million and U.S./Canada 114 million.

Source: INS Inspections Statistics

Of the 50 million I-94 and visa waiver visitors (1 person in 10 crossing the U.S. borders):

- 47 million (94 percent) arrive by air and sea (mostly air);
- 2.5 million (5 percent) by the U.S./Mexico land border; and
- .5 million (1 percent) by the U.S./Canada land border.

Source: INS Inspections Statistics

People crossing the U.S./Canada land border are predominantly U.S. and Canadian citizens. Of the total 114 million people crossing, 73 million cross through Michigan or New York land border crossings accounting for 64 percent of the total.

Source: U.S. Customs, Bridge/Tunnel Operators Association Statistics

Value of Canadian Tourism in the U.S.

Canadian tourism in America is a vital component of the U.S. travel and tourism industry and an important contributor to the overall national economy. Not counting cross-border commuters, cargo traffic, or Canadian “snowbirds,” over 13.5 million Canadian tourists entered the U.S. in 2001 and spent nearly \$8 billion U.S. dollars here, making Canada our number one trading partner in tourism.

Any change in how Canadian tourists are processed into the country puts millions of dollars and thousands of U.S. jobs at risk. As border security is strengthened along the northern land border, attention must be paid to creating a system that is efficient, easy to use, and welcoming. Either the perception or the reality of an inefficient or unwelcoming border inspection process has the potential to cause great economic harm to states and local communities that rely on Canadian tourism.

Top 10 States Visited by Canadians in 2001

State Visited	Visits	Nights Spent	Spending in State
	In Thousands		Millions in U.S. \$
New York	2,333	6,273	\$418.6
Florida	1,967	33,676	\$1,371.5
Washington	1,582	4,544	\$168.4
Michigan	1,229	3,110	\$148.2
California	1,011	7,926	\$600.0
Nevada	786	3,614	\$374.4
Maine	683	2,260	\$102.0
Pennsylvania	662	1,643	\$102.0
Vermont	610	1,728	\$64.3
Ohio	513	1,246	\$75.4

Source: Statistics Canada

Because of the volume of land border crossings, the level, intensity, and duration of inspections possible at land border POEs are much different than at sea or air POEs. The principal distinction is the sheer volume of inspections, the largest percentage being conducted on U.S. or Canadian citizens. Furthermore, land border crossings are the only POEs where commercial freight inspections are commingled (at most POEs) with passenger inspections. This means that at most land POEs the potential for traffic congestion is significantly heightened. Most land border POEs estimate that for adequate traffic flows, individual passenger car inspections can last no longer than 30 seconds. Delays and congestion at land border POEs also have the potential to have other severe negative impacts, aside from the effects on trade and travel. The environment, the health of inspectors and passengers/drivers, and the surrounding communities can be affected—factors that are not present, or not present to the same degree, at other types of POEs.

Finally, advance data on either approaching commercial freight or passengers is limited or non-existent at land border POEs. About 66 percent of U.S./Canada travel involves same-day

trips. (Source: North American Trade and Travel Trends, ITA, DOC). 90 percent of Canadians live within 100 miles of the border, resulting in travel times of less than 2 hours for most travelers to reach the border. Many commercial vehicles crossing the land borders also are traveling from very short distances. The location of the automotive industry in towns in Ontario close to the Detroit crossings is indicative of the short distances many trucks travel before arriving at inspection POEs. A recent, comprehensive analysis of truck freight crossing the U.S./Canada border determined that the median and mean travel distances for loaded trucks were 20 and 34 miles in southeast Michigan and 130 and 131 miles in southwest Ontario. The median and mean travel distance for empty trucks were 9 and 30 miles in southeast Michigan and 7 and 55 miles in southwest Ontario. (Source: Canadian National Roadside Study, Courtesy of Eastern Border Transportation Coalition.)

As these data clearly show, the type of inspection done at land border POEs must necessarily differ from those at other POEs. Further, the ability of inspectors to access advance information to make pre-arrival assessments is limited, and the time available for primary inspection is even more limited. Thus, documentary and inspections requirements for land borders must take these factors into account. These factors significantly complicate the design and development of systems for entry/exit tracking at the land border, particularly the Canadian border, and are characteristics that were considered in the recommendations in this report.

Specific Recommendations for the Northern Border

Development/Expansion of Low-Risk, High Frequency Traveler and Trade Systems: The President and the INS Commissioner have both stated that the entry/exit system must NOT create further backlogs or disruptions to legitimate cross-border traffic, and the Task Force is charged with looking at methods to **enhance** the facilitation of legitimate trade and travel at our borders. Therefore, we believe the development of the entry/exit system must be in conjunction with, and implementation of the system must be contingent upon, development and implementation of other measures currently under consideration for improving border management.

Proposal

Encourage and fund the development/expansion of enrolled low-risk, high frequency traveler and cargo systems.

- **The subcommittee recommends expanding and moving forward with pre-enrollment and pre-clearance programs for low-risk and/or high frequency passengers and cargo in addition to any developments for an entry/exit system.**
- **The entry/exit system should be developed with the cooperation of all appropriate agencies and in coordination with other initiatives being undertaken under the Smart Border 30-point accord with Canada including both passengers and cargo initiatives.**

Specifically, the Subcommittee recommends expanding and moving forward with pre-enrollment and pre-clearance programs for low-risk and/or high frequency passengers and cargo **in addition to** any developments for an entry/exit system. The Subcommittee

recognizes the need to ensure that any measures instituted in the near term must transition seamlessly into the final entry/exit system. The entry/exit system should be developed in cooperation and coordination with other initiatives being undertaken under the Smart Border 30-point Accord with Canada (see Exhibit 1) including both passenger screening systems and customs initiatives for pre-clearance or pre-screening of goods traveling by maritime, rail, or truck and bound for the other country.

Passengers

The passenger component of the 30-point Smart Border Action Plan is the “NEXUS” program. Misconceptions have arisen from the term “low-risk traveler system,” and some have mistakenly labeled it as lowering the bar of security. NEXUS is a security system that enforces identification of low-risk individuals and facilitates border crossings of pre-approved individuals, allowing heightened focus on those not identified as low-risk. To become an approved participant in NEXUS an individual must be a citizen or a permanent resident of the U.S. or Canada or a non-permanent resident who can demonstrate a need to use the NEXUS system and successfully complete an application process that includes fingerprinting, processing through both U.S. and Canadian databases for full background checks, and being interviewed. Approved users are also subject to random and selective inspection when using the program.

The current NEXUS program is strongly supported. Expanded enrollment in this program at the busiest POEs is deemed essential for successfully facilitating the crossing of low-risk goods and people for continued economic security. NEXUS is no longer only a security system for “frequent commuters.” Since approximately 85 percent of the vehicles crossing the U.S./Canada land border are cars, as many as possible of these vehicles need to be expedited to allow designated “low-risk” trucks to access border crossing plaza primary processing booths. NEXUS is the key to individuals applying for, and being approved as, “low-risk” travelers, and thus, the key to moving and processing “low-risk trucks” at high volume commercial crossings, thereby reducing congestion and increasing security. Thus, we would encourage NEXUS enrollment for infrequent but low-risk travelers along the border.

While the NEXUS program is not an entry/exit system per se, it could be redesigned to serve that function for those individuals who might enroll and who are required to have their entries and exits tracked such as Canadian citizens on work visas, Canadian landed immigrants, and third-country nationals living in border regions who travel frequently between the countries and hold visas for either or both nations.⁵

⁵ Theoretically, with necessary technology upgrades, the NEXUS program could also be used to track the entries and exits of enrollees (U.S. and Canadian citizens) not required to be included in the Section 110 entry/exit system. The decision to actually do so would need to be made outside of the DMIA mandate.

Commercial Vehicle Operations

In regards to systems that capture information for commercial operations along the northern border, this Subcommittee recommends that INS officials, including those working in the Entry Exit Project Team, closely analyze and review the work already being done in other agencies to capture such information and determine the ability to integrate these systems into any proposed entry/exit system. Many of these initiatives are components of the 30-point Smart Border Action Plan signed by Homeland Security Director Tom Ridge and Deputy Prime Minister John Manley.

From a security perspective, both Canada Customs and Revenue Agency (CCRA) and USCS are developing programs to increase the security of cross-border commercial operations. Although many of these programs are being developed independently, there is close coordination between both agencies. The end goal of the coordination is to eliminate as much as possible the administrative burdens of applying for both programs and to eventually allow acceptance into either program to fulfill both agencies' requirements. Once in the system, it is envisioned that motor carriers will be able to participate in the "FAST" program, now in its infancy. The ultimate goal is to screen, identify, and rapidly clear low-risk commercial and cargo traffic at the POEs, allowing low-risk trade to move quickly while focusing resources on unknown or high risks. This equates with the Task Force's goal to "improve the flow of traffic" at land border POEs.

Following are brief descriptions of related programs that the trade community has been following closely or is directly involved in that may be relevant to the entry/exit project.

U.S. Customs Trade Partnership Against Terrorism (CTPAT): As part of its efforts to deter and/or detect the possible entry into the U.S. of illegal cargo, people, or weapons of mass destruction, the USCS has established the CTPAT. In essence, CTPAT incorporates the concept of increased security as goods move through the entire international supply chain, from origin to final destination. Motor carrier representatives have been participating in discussions with USCS to determine how the motor carrier industry is to participate in the CTPAT. Basing much of its CTPAT work on efforts to establish the Land Border Carrier Initiative Program (LBCIP), USCS has initiated the northern border CTPAT. This program includes a cooperative agreement to be signed between a motor carrier and USCS. The agreement delineates the responsibilities that each signing party is to comply with, such as a carrier agreeing to review the security of its operations and, if necessary, implementing and enhancing verifiable security components. Once in the program, motor carriers are to get expedited clearance as they move across borders.

Canada Customs and Revenue Agency's Partners in Protection (PIP) Program: The CCRA's PIP program is a counterpart to the USCS CTPAT program. The focus is also on efforts to enhance border security and to deter the smuggling of illegal cargo and aliens into Canada. A voluntary program, the PIP includes a memorandum of understanding to be established between CCRA and motor carriers. Along with the Self Assessment Program (see description below) and its Commercial Driver Registration Program (CDRP), the PIP encompasses Canada's higher level of security for cross-border commercial operations.

Canada's Customs Self Assessment (CSA) Program: The CSA program is designed to streamline the import process from the time goods are reported to customs through to the accounting and payment of duties. CSA is founded on the pre-approval and authorization of the carrier, driver, and importer and the use of client business systems to support the report of goods and the self-assessment of trade data, revenue amounts, and payment of duties and taxes. A key component of the CSA program has been the development of the CDRP. The CCRA and Citizenship and Immigration Canada (CIC) are cooperating in this program to streamline customs and immigration clearance at border crossings for low-risk commercial drivers. The CSA clearance process requires CSA-approved carriers to use drivers registered in the CDRP. Since registered drivers are able to carry CSA goods for a CSA-approved carrier, the customs and immigration clearance will be simplified when drivers present their photo registration card to the Customs inspector when they cross the Canadian border with commercial goods.

Free and Secure Trade (FAST) Program: Recognizing the common objectives that CTPAT and the PIP share, CCRA and USCS have started a joint effort to harmonize, to any extent possible, both programs under the FAST program. Although registration in PIP and in CTPAT independently will likely be necessary for carriers to get expedited clearance by CCRA and USCS respectively, the goal of FAST will be to minimize the burden on participants of having to register for both programs. Although still under discussion, once registered for both programs, carriers may submit information required for both programs through a single registration.

Other USCS programs that should also be reviewed closely by INS include the following:

Automated Commercial Environment (ACE): The ACE system will be the USCS's new system architecture to process goods imported into the U.S., providing an integrated and automated system. ACE is geared towards making the collection, processing, and analysis of commercial data more efficient and effective in a paperless environment. For USCS, ACE will become an essential tool for trade enforcement, improving the flow of information for risk analysis of international cargo, while facilitating the movement of legal cargo through our POEs. ATA and motor carriers are actively participating in the development of ACE through the Trade Support Network. Primary emphasis has been in developing a set of data elements within the multi-modal manifest group to develop an electronic manifest for motor carriers.

International Trade Data System (ITDS): The ITDS, which is to serve as a front-end data-collection program within the ACE architecture, will collect information from shippers, brokers, and carriers on cargo, vehicles, and drivers as they operate in cross-border operations. The goal is for the system to allow carriers to submit one single set of transaction data to ACE/ITDS instead of having to submit various transactions to different government agencies to comply with their individual requirements. ITDS eliminates the need to submit duplicate information to multiple federal trade agencies so that businesses will no longer need to maintain complex, redundant systems for reporting trade activities to the U.S. Government. From the Government's perspective, ITDS will distribute this standard data to the concerned federal trade agencies for their selectivity and risk assessment. It will also provide more current and accurate information for revenue, public health and safety, enforcement activities,

and statistical analysis and will significantly reduce data-processing, development, and maintenance costs.

The Border Release Advanced Selectivity System (BRASS): BRASS tracks and releases highly repetitive shipments at land border locations. USCS scans a bar code into a personal computer, verifies that the bar code matches the invoice data, enters the quantity, and releases the cargo. The cargo release data is transmitted to the USCS Automated Customs System (ACS), which establishes an entry and the requirement for an entry summary and provides Automated Broker Interface (ABI) participants with release information.

BRASS allows users to do the following:

- Obtain release without preparing a CF-3461 or CF-3461 ALT (the bar code replaces these forms);
- Participate in an automated release system without expensive computer or printer equipment;
- Receive approval for expedited release after one-time application per district;
- Receive detailed reports of all BRASS transactions electronically through ABI; and
- Minimize keying and processing (USCS output report creates entry records).

Characteristics of BRASS:

- Replaced the former Line Release System and remained transparent to the trade community requirements;
- Allows better system uptime;
- Maintains better data quality; and
- Runs in a Windows NT environment.

BRASS operates both on the northern and southern borders. In order for motor carriers with cross-border operations on the southern border to participate in BRASS, it is presently a requirement that they first participate in the Land Border Carrier Initiative Program.

The Federal Highway Administration (FHWA) published a newsletter regarding wait times for freight traffic at northern and southern land border POEs. FHWA did a review of seven POEs (those most heavily traveled) on both borders to document the time it takes for inspection, both inbound and outbound. The article cites wait times at the seven POEs and suggests ways to improve vehicle processing and reduce travel delays.⁶

Bus and Ferry Traffic

The Subcommittee discussed the possibility of expanding pre-clearance operations to cover the entry of bus and ferry traffic into the U.S. across the northern land border.⁷ The U.S. and Canada have already created a legal framework that allows INS and USCS inspectors to operate at seven Canadian airports. These existing pre-clearance operations allow travelers

⁶ <http://www.ops.fhwa.dot.gov/freight/pp/Travel%20Time%20and%20Delay.pdf>

⁷ Although ferry traffic is technically within the jurisdiction of the Seaport Subcommittee, many ferries, particularly those involving automobiles, are processed in the same manner as land border inspections, thus the reference in this report.

headed to the U.S. to go through the U.S. inspection process at the Canadian airport before boarding the plane. When travelers arrive in the U.S., they exit the plane and terminal without going through a second inspection. Moving the U.S. inspection process into major Canadian bus and ferry terminals has the potential to alleviate bottlenecks at the land border. With bus and ferry-based pre-clearance, travelers will have already been inspected and their information recorded before they board the bus or ferry. Buses and ferries can then cross the border unimpeded, presuming they do not stop between their initial departure and the border.

The Subcommittee recommends that land-based pre-clearance be explored as a component of the entry/exit system. Such operations could cost less than airport pre-clearance operations, as the U.S. inspectors might be able to simply commute across the border.

Proposal

Necessity of Using Canada’s Electronic Primary Inspection Entry as a U.S. Exit data Collection Tracking Point.

- **The Northern Land Border Subcommittee recommends undertaking an agreement with Canada that would allow Canada’s entry primary inspection to serve as our exit data-collection point.**
- **In many places along the U.S.-Canada border, the building of “exit booths” at the actual ports would be economically infeasible due to space and other factors and would adversely impact legitimate trade, travel, and commerce.**

Perhaps the greatest challenge to implementing an effective entry/exit system at the land border is the **complete absence of exit infrastructure** at land border POEs. The U.S. currently does not have any infrastructure in place to engage in exit data collection at the northern land border. At present, periodic, temporary U.S. traffic stops at exit for law enforcement or other purposes are achieved by ad hoc use of cones, barriers, and other traffic management devices in existing exit traffic lanes at the port plazas before the approach to the international boundary. Absent any alternative consideration, implementation of the entry/exit system mandated by law could require construction of “exit booths” at every lane at every POE. The cost of building new infrastructure to support a full U.S. exit booth stop system would likely be prohibitive. In many places along the U.S./Canada border, the building of “exit booths” at the actual POEs would be economically infeasible due to space and other factors.⁸ Furthermore, the addition of U.S.-staffed inspection stations preceding the existing Canadian entry inspection booths is almost certain to create major delays for northbound traffic. U.S. exit booth stops would negatively impact the efficient movement of known low-risk goods and people, including U.S. citizens, seriously disrupting and unnecessarily hampering essential economic activity and relations at great cost in terms of capital investment and operating expense.⁹

⁸ The infrastructure investment needed also would be geometrically larger for both infrastructure and massive land acquisition for expanded plaza space. In many cases contiguous land is “not available” at current border crossing plazas. The dangerous reality of exit queues and back-up is different at each crossing. For instance at Thousand Island Bridge, Lewiston Queenston Bridge, and Champlain Highway 87 crossings, traffic delay push-back occurs directly on a 55 m.p.h. approach highway with potential for very serious “rear ender fatalities.” At the Rainbow Bridge, Ambassador Bridge, Detroit Canada Tunnel, Peace Bridge, and the Blue Water Bridge, delay push-back occurs directly onto heavily traveled city streets, causing immediate gridlock and serious traffic snarls.

⁹ At the northern land border POEs, exit roadways have only two lanes of traffic expanding to 6 to 20 primary booth lanes at most crossings entering Canadian Customs primary inspection. U.S. exit booth placement initially would be limited to 2 booths at each land POE, while most

The Subcommittee strongly believes that the entry/exit system development process must examine alternatives to U.S. exit booths at every POE. Because of the tight entry/exit project timelines and the importance of meeting them, it is imperative that alternative solutions be simultaneously compared against, and considered along with, the base case of a U.S. exit booth being constructed at every lane at every POE.

Therefore, the Subcommittee recommends undertaking an agreement with Canada that would allow Canada's entry primary inspection to serve as our exit data-collection point. With this approach, the financial cost is substantially less than unilateral creation of U.S. exit booth stops, and substantial increased delays are essentially avoided, facilitating economic security and achieving a viable entry/exit system. The benefits, cost avoidance, potential data-sharing benefits, and, especially, the protection of economic security merits that **most serious consideration must be given to this option.**

The Subcommittee understands that there are ongoing discussions between the U.S. and Canadian governments on border issues, and we encourage and support the introduction of this recommendation to those discussions. **At this point the Subcommittee sees no viable alternative for exit inspection at the northern border that would not severely harm legitimate travel, trade, and commerce as well as U.S./Canada economic security and amity.** While we understand there may be policy and other specifics to be worked out, such agreements have been successful in the past, and we believe that there are no potential obstacles that cannot be overcome in the interests of both countries.

The Subcommittee has not examined the operation of such a system in detail; however, it is envisioned that all individuals exiting by the U.S./Canada land border, having entered the U.S. in a category requiring entry/exit tracking, will have their exit validated at the existing Canadian Customs primary entry process. Verification of these individuals is already required for entry into Canada. In fact, just as in the U.S., all visitors to Canada must stop and present themselves for inspection. The Canadian entry process would actuate the U.S. exit process.

The operation of such a system would require all individuals to be included in the entry/exit system to have a machine-readable document, the deployment of data readers for those documents to the Canadian entry inspection to validate U.S. entry/exit documents (or the development of shared technologies), and additional communications equipment to transmit relevant data back to the U.S. side. The U.S. would fund the purchase and installation of the readers in the Canadian primary booths in place of doing the same in the U.S. The reader unit would automatically send date, time, and location along with the variable information from each transaction. Although the acceptance of an automated card-reading system should place only a minimal extension of time and effort at the existing Canadian primary booths, it is expected that the U.S. will provide funds for added officers if required. This is far less expensive than constructing and staffing exit booths on the U.S. side of every crossing.

have 6 to 20 primary booths for entry. Currently, delays entering the U.S. generally exceed those entering Canada (in spite of opening all or almost all U.S. primary booths to handle the given traffic demand). With the ability to have only 2 lanes of traffic exiting the U.S. POEs, the immediate delay queues, with the same traffic volumes would be 10 times as long as a crossing that currently had 20 booths entering Canada and 3 times as long for a crossing with 6 booths. Thus, an exit system that would require each vehicle to stop would require at least 6 to 20 exit booths to maintain current peak delay/congestion queues entering Canada. Additional U.S. exit booths would be required at each POE to offset the delay time caused by the exit booth stop query process.

For the purposes of the entry/exit system envisioned by the DMIA, this process would not significantly inhibit traffic flows into Canada, given the small percentage of travelers who would require tracking in that system. According to INS inspection statistics, while one in ten of the total visitors entering the U.S. in the year 2000 at all POEs were visa or visa waiver foreign visitors requiring tracking, it is important to note that only one in 250 of those entering on the northern land border fall into those categories. Thus, if the entry/exit data-capture requirement were limited to those travelers included in the DMIA, little additional delay in Canadian primary inspection would result. If the entry/exit system were integrated with the NEXUS program (or next-generation programs), theoretically no additional delay at all would result, since the automatic transmission of NEXUS data to the inspector could include the necessary entry/exit data. The proposed system could provide the same level and quality of exit tracking data as U.S. exit booths.

Possible Operation of U.S./Canadian Entry/Exit System Using Canadian Entry Inspection for U.S. Exit Validation

The following is an outline of one possible method of operation of a system meeting the recommendations above. It is presented as an illustration only.

1. Individuals subject to entry/exit tracking (i.e. visa and visa waiver individuals) would be issued a machine-readable document upon application or arrival. The card would contain applicable data including required exit date. Cards could be encoded for single entry/exit and multiple entry/exit-authorized individuals. (An option is to have that record entered into the computer as a notification of issue and pending visit to the U.S. for documents issued before arrival. This would allow monitoring of all records issued for which no use occurred. When the individual actually enters, their status would be activated in the entry/exit tracking and reporting system.)
2. Upon entry to the U.S. (at secondary inspection) the card would be read after identity of the presenter was biometrically determined and the entry/exit tracking system record activated. The process would be facilitated by an automated reader (e.g., a magnetic stripe reader, embedded chip/proximity card or other system).
3. Upon exiting the U.S. via the Canada land border, the categories of individuals to be tracked are already required to present their passport for identification to Canada Customs primary inspectors. Those doing so would be required to **also** present their machine-readable card document.
4. The Canadian Customs officer, after verifying the identity of the individual from the passport for his own purposes, would scan the machine-readable card, which contains the authorized exit maximum date. This input of the exit date would activate the entry/exit match and reporting process.
 - If the card was encoded for single entry/exit, the officer, after inserting into reader, would confiscate the card into a collection box for U.S. officials.

- If the card is for multiple entry/exits and the reading did not indicate an expired maximum exit date, the card would be returned to the individual with the passport for further entry and exit use.
- If an individual presents a passport at Canadian Customs primary and does not have the machine-readable card, the traveler would be turned around to be queried by U.S. officers at the U.S. inspection port.
- If a multi-entry/exit colored card is presented which when read indicates an expired maximum exit date, the card would be confiscated. (U.S. authorities would then need to specify what action should be taken). The individual could also be turned around to be queried by U.S. officers at the U.S. entry primary.

While both countries benefit from this proposed approach, which essentially avoids creation of extensive delays and congestion (threatening economic security) when entering and exiting the U.S. and/or Canada, it is especially important to Canada's economic vitality. Eighty-seven percent of Canada's exports and a majority of citizen travel are destined for the U.S., so delay and congestion cause economic havoc. (Source: Canadian Department of Foreign Affairs and International Trade). The impact of impediments to cross-border traffic on the U.S. is substantial as well, since 38 states trade more with Canada than with any other country in the world and approximately 25 percent of total U.S. exports are destined for Canada (U.S. Dept. of Commerce).

Proposal

Canadian Document Issues and Special Consideration.

- **The Northern Land Border Subcommittee strongly believes that it is in the U.S. best interest to engage Canada as a full partner in securing our mutual border. Changing Canadian documentary requirements has the potential to undermine that partnership and should be explored only in a joint setting.**
- **The long-standing documentary waivers for Canadian citizens should be continued in the context of the entry/exit system.**

Heightened security concerns since September 11, 2001, have led some to question the wisdom of continuing to offer documentary waivers to some entrants from the Western Hemisphere via our land borders, specifically Canadian visitors. While this is a valid area of examination in the new environment, specific consideration must be given to the Canadian documentary waivers. The U.S./Canada relationship is a unique one in the world. The U.S. has the greatest extent of intergovernmental cooperation, at the widest range of levels, with Canada. Canada has been a solid partner in joint law enforcement, intelligence, and defense and border operations for a century and a half, and most Americans and Canadians agree that document-free travel is a boon to both countries.

The security value of requiring, at a minimum, specific identity documents of all U.S. and Canadian passengers traveling across the land borders might seem obvious, but to do so would be a dramatic shift in the relationship of the two countries that could have impacts, not only on the border, but on reciprocal agreements for trade, travel, law enforcement, etc. **The Northern Land Border Subcommittee strongly believes that it is in the best interest of**

the U.S. to engage Canada as a full partner in securing our mutual border. Changing Canadian documentary requirements has the potential to undermine that partnership and should be explored only in a joint setting.

The Subcommittee reiterates its belief that the entry/exit system as mandated by statute waives the majority of Canadian visitors from being subject to tracking by the system. The Subcommittee also strongly urges (with a single dissenting opinion¹⁰), in the interest of the efficiency of low-risk, cross-border commerce and trade, and in consideration of our work with Canada on our mutual security (embodied in the 30-point Smart Border Action Plan), that the documentary waivers for Canadian citizens be continued in the context of the entry/exit system.

In addition to the diplomatic considerations, should documentation and identity verification ever be imposed universally on U.S. and Canadian citizens attempting entry/exit, traffic at major passenger traffic crossings in Michigan and New York could be impacted. Fifty percent of the individual crossings occur through Michigan land border crossings (the Detroit Canada Tunnel, Blue Water Bridge, and Ambassador Bridge) and New York land border crossings (the Peace Bridge, Rainbow Bridge, Lewiston Queenston Bridge, Thousand Island Bridge, and I-87/15 highway at Champlain/LaColle). (Source: U.S. Customs, Bridge/Tunnel Operators Association statistics.) Of essential importance is that approximately 60 percent of the total trade between the two countries also moves through these same land border crossings. Documentary inspection requirements since September 11, 2001, at these crossings have already resulted in significant delays. Whether automated processes and low-risk programs could completely counterbalance these additional delays remains to be seen.

Proposal

Consideration for Biometric Technology and Systems Integration.

- **The subcommittee supports the capture of multiple biometrics in a single document as appropriate.**

The Enhanced Border Security and Visa Entry Reform Act of 2002 (P.L. 107-173) mandates that biometrics be used upon entry by specified individuals and be integrated into the entry/exit system mandated by DMIA. The Subcommittee has not examined biometric technologies in detail. However, given the differences in the land border environment from other types of POEs, **the Subcommittee would strongly argue that the appropriate biometric for the land border may not be, nor does it need to be, the same as the biometric for other POEs (e.g. air and sea) as the practicality of use for entry at the land border may differ (e.g. the ease of validation for an eye scan of vehicle occupants versus a photographic scan).**

¹⁰ One member of the Subcommittee believes that although entry/exit tracking of certain classes of individuals is certainly unwarranted, requiring uniform documentation and authentication of all individuals entering the U.S. may be the only method of simultaneously facilitating cross-border traffic and enhancing physical security. Uniform documents do not equate to universal tracking. Partial implementation of automated systems leaves partial implementation of the old, inefficient systems. Depending on enrollment in the new system, a partial implementation may do very little to either enhance security or facilitate commerce.

The Subcommittee further recommends that every effort should be made to use biometric standards that have been developed and adopted by the U.S. National Institute of Standards and Technology (NIST) and the International Civil Aviation Organization (ICAO). Use of non-standard biometrics will require duplicative documentation and could cause confusion for travelers.

The Northern Land Border Subcommittee recognizes that when the U.S. Government finalizes its plan for an entry/exit system, there will be a large workload issue with regards to the capture of biometric information for international visitors entering the U.S. Whether these biometrics are taken overseas by the DOS during the visa process, at entry by the INS at the POE, or other alternatives are developed, we urge that such increases in workload be matched with required increased resources to ensure that this is accomplished in the most expeditious and secure manner so as not to impose unnecessary burdens on the public.

The Subcommittee also recommends that development of the required biometric documentation for use with the entry/exit system, and the embedded biometrics result in only **one card** for travelers to use at all POEs (land, sea, and air). The document may contain multiple personal biometric identifiers for each participant should land, sea, and air programs have different biometrics.

Finally, the Subcommittee strongly believes that registered border-crossers should have to **enroll only once, carry only one card, and have that card usable at all POEs: land, sea, or air**. The entry/exit system should be capable of recording, reading, and matching multiple biometrics. It should be able to read biometrics from passports, U.S.-issued visas and other travel documents, federal government identification cards, and pre-enrollment low-risk traveler programs such as NEXUS. The Subcommittee would also suggest that current and proposed USCS programs for registering truck drivers be integrated with the NEXUS programs and the entry/exit system, with the goal of using common technology in the cards and the readers, and allowing integration of the databases.

Other Recommendations

In assessing the costs of any entry/exit system, the Subcommittee urges policy makers to consider the direct and indirect costs to local communities. The costs of delays at the border are especially significant on local border communities that rely on cross-border visitors for retail sales and workforce. Delays also result in environmental pollution from vehicle exhausts, traffic delays in locations where the border crosses through urban centers, and deterioration in quality of life for those who live near the border.

Proposal

Serious consideration should also be given to developing effective data-sharing, communication and cooperation protocols to address the critically important need to fully integrate local and state officials and operations into the process.

For example, the new USCS Port Security Program in Florida, “Operation Borderlords,” allows USCS to deputize local and state law enforcement personnel. Whether and how entry/exit data

would be shared with state and local officials, and whether state and local law enforcement or other requests could be accommodated by the system are other considerations to be examined in the future development of the system.

Outstanding Issues Requiring Further Exploration by the Task Force

While the Subcommittee has devoted a great deal of time and energy to its assignments to review and make recommendations regarding entry/exit at the northern border, the scope of the task and the myriad of detailed issues made it impossible to issue complete recommendations in the short period of time available. Several very important issues simply have not been explored in adequate detail to make recommendations. In this section, the Subcommittee summarizes some of those issues and offers areas for further study and possible inclusion in the next Congressional report.

However, the Subcommittee would like to recommend that the Task Force continue having stakeholders meetings on these and many other issues at several POEs over the next year to include community input to the process. While the representatives on the Task Force have their own resources to bring to bear, these open forums often provide useful additional context and ideas for the discussion.

Traffic Streaming at U.S./Canada Land POEs: While the previous discussion offers some insight into the issues of facilitating the flow of traffic at U.S./Canada POEs, the Subcommittee would like to continue to study this issue. We understand that the INS has purchased software for modeling traffic flows at POEs that will be very useful in visualizing the impact of various scenarios. A variation of this software has been used by a private sector coalition to develop a commercial recommendation of traffic streaming that contains compelling evidence of the need for pre-enrollment and pre-screening of low-risk passenger and commercial traffic included in the Subcommittee's recommendations. Without segregating this traffic and expediting its processing, increases in cross-border traffic predicted in the near future will, on their own, create gridlock. Due to the mixed nature of traffic on the northern border (passenger and commercial) any programs aimed at speeding commercial freight traffic will falter unless a large percentage of passenger traffic is also expedited and vice versa. With only two-lane access to inspection plazas at many POEs, pre-cleared traffic simply would not be able to get to their dedicated lanes (see Exhibit 2).

Further modeling for different POEs will provide additional details regarding the need for additional dedicated lanes for low-risk traffic, infrastructure improvements, and options for exit streaming as well. In any case, it is obvious that the current traffic flows at the northern border are inadequate to support normal trade and commerce and must be changed to support any additional inspection processes envisioned in an entry/exit system.

Perimeter Clearance: The DMIA and the Enhanced Border Security and Visa Entry Reform Act both explicitly call on the U.S. to work with Canada and Mexico on ways to improve land border security and traffic flows. The Subcommittee reaffirms this instruction—the borders are “shared” between these neighbors and should not be unilaterally managed.

Since September 11, 2001, many policy makers, academics, and others have advocated the need for a “perimeter strategy” for North American security. This concept suggests that the U.S. and Canada work together to secure our joint landmass from outside terrorism. It suggests the need to coordinate and, where possible, harmonize border policies with regard to extraterritorial nationals and trade and to facilitate traffic between the nations. This concept would preserve the economic benefits of our shared trade and travel and enhance our own resources to protect against external threats.

The perimeter approach deals with clearing goods at the point of first arrival to North America. It is here that the customs authority in the first country (e.g. Canada Customs) would transmit data to the destination country (e.g. USCS) for instructions on the level of inspection desired, and/or approval for shipment to proceed. Upon completion of inspection, cargo would be conditionally released and sealed for transport to the land border, where the shipment would proceed via an expedited transborder lane, subject to random and selected check (see Exhibit 3).

The perimeter approach for passengers would need to differ, since immigration requirements for the countries differ in some aspects, but it is conceived that where an individual is admissible to both nations, initial admission would grant permission to travel in either country, and would be facilitated by electronic sharing of passenger arrival information by both countries.

Of course this approach requires a great deal of joint cooperation, information-sharing, and policy-making and many of the issues relating to this concept have yet to be developed.¹¹ But the potential benefits of enhanced security and intelligence, increased positive identification of individuals, and expedited processing for a large portion of the cross-border traffic make it worth exploring. Thus, the Subcommittee calls for further study of this concept and how this approach may be the best way to facilitate land border operations by essentially “moving the border outward.”

Technologies

The success or failure of the entry/exit system, and most of the other initiatives outlined in this document, will be determined by the implementation of reliable and efficient technologies. However, the Subcommittee has not had the opportunity to study the relevant technologies adequately to make recommendations in this report. The following are areas suggested for further study and inclusion in subsequent reports.

Biometrics: Of specific concern for the Task Force is the mandate to incorporate biometric technologies in the entry/exit system. As stated above, the Subcommittee has not had the opportunity to review in detail the specific biometric technology options being discussed for use in the entry/exit system or in U.S. travel documents. While we do acknowledge that the operating environment for inspections at the land border is significantly different from more controlled (and usually indoor) environments at airports and seaports and, thus, could require a different biometric technology be used to ensure accuracy and reliability, we do not at this

¹¹ The U.S./Canada 30-Point Smart Border Action Plan includes many projects that could be incorporated into a Perimeter Clearance process. The agreement to station customs inspectors at each other's seaports for targeting inspections is a step toward this type of accord.

time have recommendations as to which technology that should be. The Subcommittee proposes to investigate this issue in the coming year, preferably with demonstrations of available biometric technologies in order to make a reasonable evaluation in the next report.

Cargo Seals: An important aspect of pre-clearance programs for commercial traffic is the requirement to ensure that once inspected, cargo is not tampered with before crossing the POE. This requires the use of technology to seal inspected cargo and track it from point of inspection through the POE. The use of electronic seals for this requirement is currently under discussion and evaluation by various government agencies and the private sector. However, the Subcommittee has not had an opportunity to evaluate these technologies. This also will be an area for further study in the coming year.

Outputs of Entry/Exit System: As stated in the first section, the design of an entry/exit system to meet the (primarily) statistical and reporting requirements of the DMIA is not the same as the entry/exit system concept currently being explored by the Government. Consideration needs to be given to the output from the entry/exit system and what is to be done with it. If the output were simply a statistical report of non-matches, it would argue for one type of system. If the output is expected to be able to list individuals as an aid to finding them within the U.S. or to prevent re-entry of a particular individual (which is not necessarily required by law), a different configuration is mandated. It is extremely important to note that INS has only about 2,000 personnel for interior investigation, locating and picking up individuals for any reason (including criminal violations), and currently about 1,000 have been reassigned to other duties, including the ongoing terrorism investigations. It is imperative that the INS be appropriated the resources necessary to carry out the prescribed duties, which is not currently the reality.

Decisions regarding the following issues must be made in order to specify the database design of the system:

- Determination of the information technology system for collection of data and matching processes;
- Interoperability with all processes and databases at POEs and other government departments/agencies, etc. to allow data comparison/checking at entry inspection;
- Recovery and input of the exit-reporting document and data from Canadian primary;
- Data to be included in record;
- Interoperability with databases at exit and level of exit inspection required or immediate matching on departure;
- Reporting output of system:
 - Matches by mode, by country;
 - Non-matches both for entry and exit or exit only and frequency.

Summary of Available Cost Analyses: The Task Force is mandated to include costs for its recommendations. However, as described above, the entry/exit process for land borders is in the early stages and many decisions must still be made before specific costs can be attached. The DMIA Task Force Office at INS, with assistance from USCS and various Subcommittee members, has developed some estimates for those specific recommendations in this report for which a cost estimate can be determined—such as costs for expansion of NEXUS programs. Those estimates are contained in Chapter 7.

However, the Subcommittee wishes to emphasize that the cost savings of implementing certain types of programs over the current situation accrue not only to the Government, but also to the private sector users of the land borders and the surrounding communities.

Benefits of enhanced border traffic facilitation are widespread to numerous groups—ranging from shippers, passengers, governments, border communities—and bring about an overall positive impact for the public. The benefits accrue in major categories—timesavings, lessened environmental impacts, and the potential for the decreased expenditure of government resources (for traffic management, inspections, etc.).

With regard to timesaving, reduced border wait times for trucks and passengers act as a catalyst to produce a series of downstream impacts. The timesaving for a truck not to idle at the U.S./Canada border, for example, can lead to markedly lower logistics costs for a manufacturer. Similarly, the reduced delay for passengers leads to quicker connection times and can stimulate the growth of air services. This, in turn, has a beneficial downstream impact for business and leisure travel, particularly for bi-national travel from overseas.

Border communities are also major beneficiaries. The harmful emissions from exhaust from both cars and trucks idling in lines can be significantly reduced through expedited clearance procedures. The emissions include carbon monoxide, nitrous oxides, and hydrocarbons that have a negative effect on the air quality near POEs and on the health of port workers and drivers.¹² This, in addition to millions of gallons of fuel savings, can yield significant environmental benefits.

The benefits of streamlined, expedited transborder processing at the 49th parallel of truck shipments of low-risk goods and pre-registered people in passenger vehicles was recently examined by a private-sector coalition through a computerized Border Analysis Management Model.¹³ The model determined the impact of relocating the three USCS primary inspection truck booths to the Canadian side of the Peace Bridge and the introduction of the joint, low-risk traveler system, NEXUS.¹⁴

¹² Recently a specific health study was completed on asthma/lung conditions in the zip code immediately encompassing a bridge border crossing and the results found incidence of problems 10 times that of the zip codes in the immediate surrounding areas. Center for Asthma, Lower West Side Project.

¹³ Perimeter Clearance Strategy, May 2002 utilizing the Border Analysis Management Model, May 2001, Regal Decision Systems/Canadian/American Border Trade Alliance

¹⁴ The Subcommittee has not discussed the concept of moving U.S. primary inspection, but the analysis of cost savings derived from improved traffic flows generally is important here to give an idea of the potential magnitude.

Regal Decision Systems, who modeled the actual traffic arrival, flow, and patterns at the bridge crossing, completed the study. Aside from the security improvements, the results quantify the benefits in environmental improvement and definitive cost savings for the U.S. side of moving the primary inspectors to the entrance point of the border crossing and implementing NEXUS:

- Elimination of 75 percent of trucks and 65 percent of cars waiting in queue;
- Reduction of average truck transit time from 44 minutes to 18;
- Reduction of average car transit time from 15 minutes to 5;
- 105,000 gallons of diesel fuel and 93,000 hours of truck delay time saved;
- 62,500 gallons of gas and 108,000 hours of driver waiting time saved;
- Reduction of over 50 percent of annual environmental discharge emissions of hydrocarbons (HC), carbon monoxide (CO) and nitrogen oxides (NOx).

The above savings were determined for just the U.S. side of the Peace Bridge. This base case is representative of the savings to be achieved for the truck and car volumes actually processed at the U.S./Canada Border in both directions. Extending this analysis for the entire common border between Canada and the U.S. yields a total of \$238 million in benefits, as shown in the following table.

Annual Environmental Benefits from Perimeter Clearance Traffic Streaming

Item	Benefits
Reduction of Queues	75% of trucks 65% of cars
2 Million Gallons of Diesel Fuel Saved	\$3.0 million
1.8 Million Hours of Truck Delay Saved	\$81.6 million
1.6 Million Gallons of Gas (Cars) Saved	\$2.0 million
2.6 Million Hours of Car Driver Delay Saved	\$52.0 million
Direct Cost Savings	\$138.6 million
1.8 Million Hours Truck Opportunity Cost	\$99.0 million
TOTAL ANNUAL DIRECT BENEFITS	\$ 237.6 million

In addition, it should be mentioned that the recommendation to negotiate with Canada for their primary inspection to serve as our exit inspection has the potential for huge cost savings over building U.S.-side exit booths, if the business case is that exit-inspections would duplicate entry inspections.¹⁵

Specifically the proposal avoids the environmental impacts, planning, design, engineering, construction costs, and staffing of currently nonexistent U.S. exit booths at every lane of the 128 northern land border POEs. The proposal would preclude the need to hire and train almost 1,500 exit booth inspection officers and 148 support staff for the northern border POEs alone, assuming the exit inspections duplicate entry inspection activities. Extending the exit booth option to every lane of the southern land border POEs would require another 1,400 inspectors and 141 support staff. At a current annual cost of \$112,000 per inspector¹⁶, approximately \$323.8 million would be required to support the additional inspectors and over \$16 million for related support staff.

Conclusion

The Subcommittee appreciates the hard work and input of all of its members in the development of this report. There are many unresolved issues relating to entry/exit at the northern border and our Subcommittee is resolved to pursue solutions. As INS and many other officials have pointed out to us many times, the land border presents the greatest challenge to implementation of any entry/exit system. We look forward to continuing to provide our input into that process.

Respectfully submitted,

Jeff Arnold, National Association of Counties
Randel Johnson, U.S. Chamber of Commerce
Nolan Jones, National Governors' Association
Don Prosnitz, Department of Justice
Rick Webster, Travel Industry Association of America
Jim Phillips, Canadian American Border Trade Alliance, Co-chair
Martin Rojas, American Trucking Association, Co-chair

¹⁵ The option of unmanned exit inspections or remote sensing technologies would also be less expensive, but whether or not those types of inspections would be adequate for U.S. policy purposes has yet to be determined, since the relevant policy decisions have not been made. In any case, use of Canadian inspection will save over the construction of almost any conceivable exit infrastructure on the U.S. side.

¹⁶ Estimated costs are for first-year staffing only and do not include facilities information technology equipment or other infrastructure requirements. The cost per position is based on INS' modular cost analysis for new positions, as approved by the Department of Justice and the Office of Management and Budget.

EXHIBIT 1: SMART BORDER ACTION PLAN

On December 12, 2001, Minister Manley and Governor Ridge signed a declaration for the creation of a smart border for the 21st Century between the U.S. and Canada. It outlines a 30-point action plan to collaborate in identifying and addressing security risks while efficiently and effectively expediting the legitimate flow of people and goods back and forth across the U.S./Canada border. The following are the thirty points as outlined by the declaration.

1) Biometric Identifiers

Jointly develop on an urgent basis common biometric identifiers in documentation such as permanent resident cards, NEXUS, and other travel documents to ensure greater security.

2) Permanent Resident Cards

Develop and deploy a secure card for permanent residents that includes a biometric identifier.

3) Single Alternative Inspection System

Resume NEXUS pilot project, with appropriate security measures, for two-way movement of pre-approved travelers at Sarnia-Port Huron, complete pilot project evaluation and expand a single program to other areas along the land border. Discuss expansion to air travel.

4) Refugee/Asylum Processing

Review refugee/asylum practices and procedures to ensure that applicants are thoroughly screened for security risks and take necessary steps to share information on refugee and asylum claimants.

5) Managing of Refugee/Asylum Claims

Negotiate a safe third-country agreement to enhance the managing of refugee claims.

6) Visa Policy Coordination

Initiate joint review of respective visa waiver lists and share lookout lists at visa issuing offices.

7) Air Pre-clearance

Finalize plans/authority necessary to implement the Pre-clearance Agreement signed in January 2001. Resume in-transit pre-clearance at Vancouver and expand to other airports per Annex I of the Agreement.

8) Advance Passenger Information/Passenger Name Record

Share Advance Passenger Information and agreed-to Passenger Name Records on flights between Canada and the U.S., including in-transit flights. Explore means to identify risks posed by passengers on international flights arriving in each other's territory.

9) Joint Passenger Analysis Units

Establish joint units at key international airports in Canada and the U.S.

10) Ferry Terminals

Review customs and immigration presence and practices at international ferry terminals.

11) Compatible Immigration Databases

Develop jointly an automated database, such as Canada's Support System for Intelligence, as a platform for information exchange, and enhance sharing of intelligence and trend analysis.

12) Immigration Officers Overseas

Increase number of Canadian and US immigration officers at airports overseas and enhance joint training of airline personnel.

13) International Cooperation

Undertake technical assistance to source and transit countries.

14) Harmonized Commercial Processing

Establish complementary systems for commercial processing, including audit-based programs and partnerships with industry to increase security. Explore the merits of a common program.

15) Clearance Away from the Border

Develop an integrated approach to improve security and facilitate trade through away-from-the-border processing for truck/rail cargo (and crews), including inland pre-clearance/post-clearance, international zones and pre-processing centers at the border, and maritime port in-transit pre-clearance.

16) Joint Facilities

Establish criteria, under current legislation and regulations, for the creation of small, remote joint border facilities. Examine the legal and operational issues associated with the establishment of international zones and joint facilities, including armed protection or the arming of law enforcement officers in such zones and facilities.

17) Customs Data

Sign the agreement on sharing data related to Customs fraud, exchange agreed-upon Customs data pursuant to NAFTA, and discuss what additional commercial and trade data should be shared for national security purposes.

18) In-transit Container Targeting at Seaports

Jointly target marine in-transit containers arriving in Canada and the U.S. by exchanging information and analysts. Work in partnership with the industry to develop advance electronic commercial manifest data for marine containers arriving from overseas.

19) Infrastructure Improvements

Work to secure resources for joint and coordinated physical and technological improvements to key border points and trade corridors aimed at overcoming traffic management and growth challenges, including dedicated lanes and border modeling exercises.

20) Intelligent Transportation Systems

Deploy interoperable technologies in support of other initiatives to facilitate the secure movement of goods and people, such as transponder applications and electronic container seals.

21) Critical Infrastructure Protection

Conduct bi-national threat assessments on trans-border infrastructure and identify necessary additional protection measures, and initiate assessments for transportation networks and other critical infrastructure.

22) Aviation Security

Finalize Federal Aviation Administration-Transport Canada agreement on comparability/equivalence of security and training standards.

23) Integrated Border and Marine Enforcement Teams

Expand IBET/IMET to other areas of the border and enhance communication and coordination.

24) Joint Enforcement Coordination

Work toward ensuring comprehensive and permanent coordination of law enforcement, anti-terrorism efforts and information sharing, such as by strengthening the Cross-Border Crime Forum and reinvigorating Project Northstar.

25) Integrated Intelligence

Establish joint teams to analyze and disseminate information and intelligence, and produce threat and intelligence assessments. Initiate discussions regarding a Canadian presence on the U.S. Foreign Terrorist Tracking Task Force.

26) Fingerprints

Implement the Memorandum of Understanding to supply equipment and training that will enable the RCMP to access FBI fingerprint data directly via real-time electronic link.

27) Removal of Deportees

Address legal and operational challenges to joint removals, and coordinate initiatives to encourage uncooperative countries to accept their nationals.

28) Counter-Terrorism Legislation

Bring into force legislation on terrorism, including measures for the designation of terrorist organizations.

29) Freezing of Terrorist Assets

Exchange advance information on designated individuals and organizations in a timely manner.

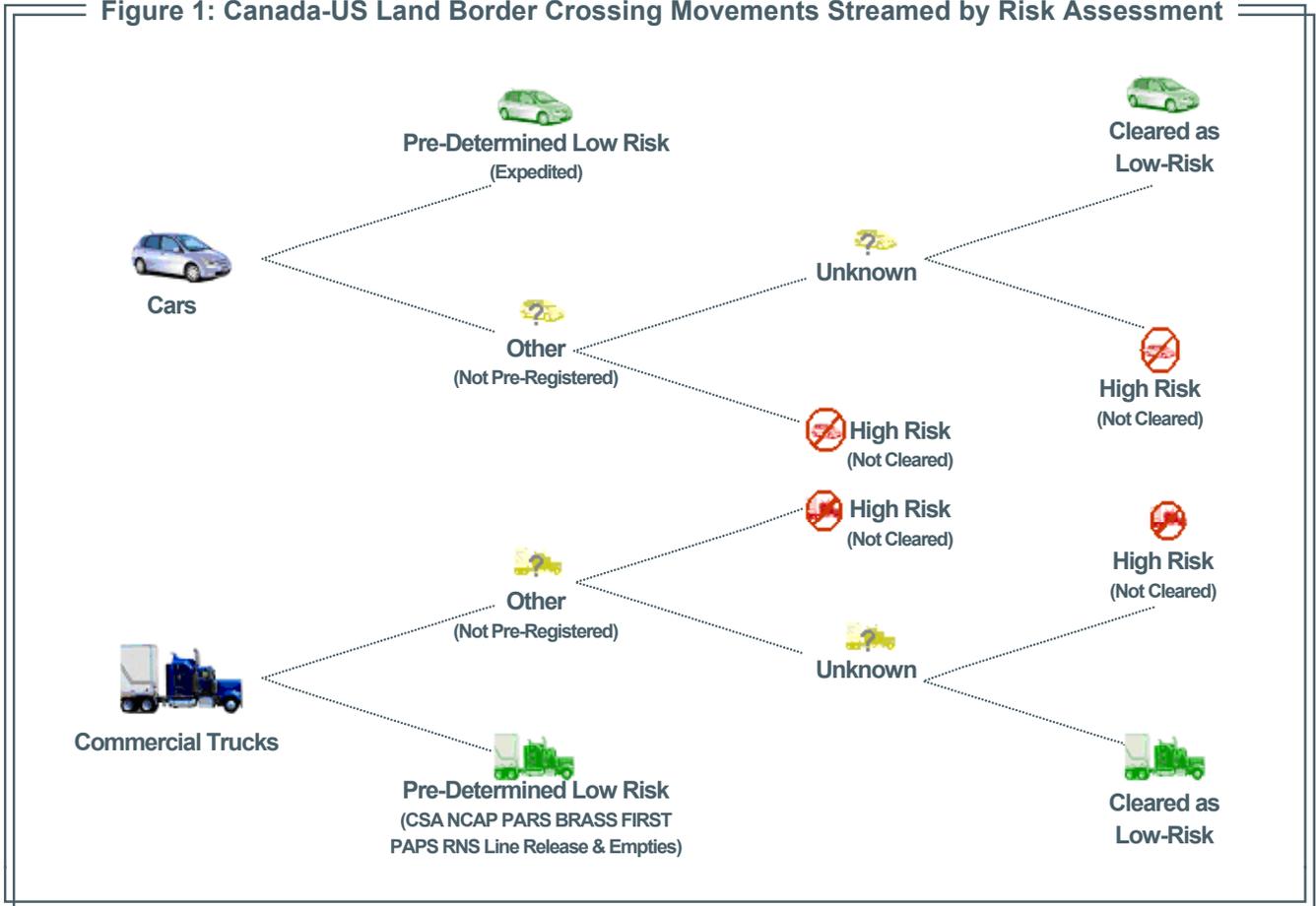
30) Joint Training and Exercises

Increase dialogue and commitment for the training and exercise programs needed to implement the joint response to terrorism guidelines. Joint counter-terrorism training and exercises are essential to building and sustaining effective efforts to combat terrorism and to build public confidence.

Source: <http://www.dfait-maeci.gc.ca/anti-terrorism/actionplan-e.asp>

EXHIBIT 2: TRAFFIC STREAMING

Figure 1: Canada-US Land Border Crossing Movements Streamed by Risk Assessment

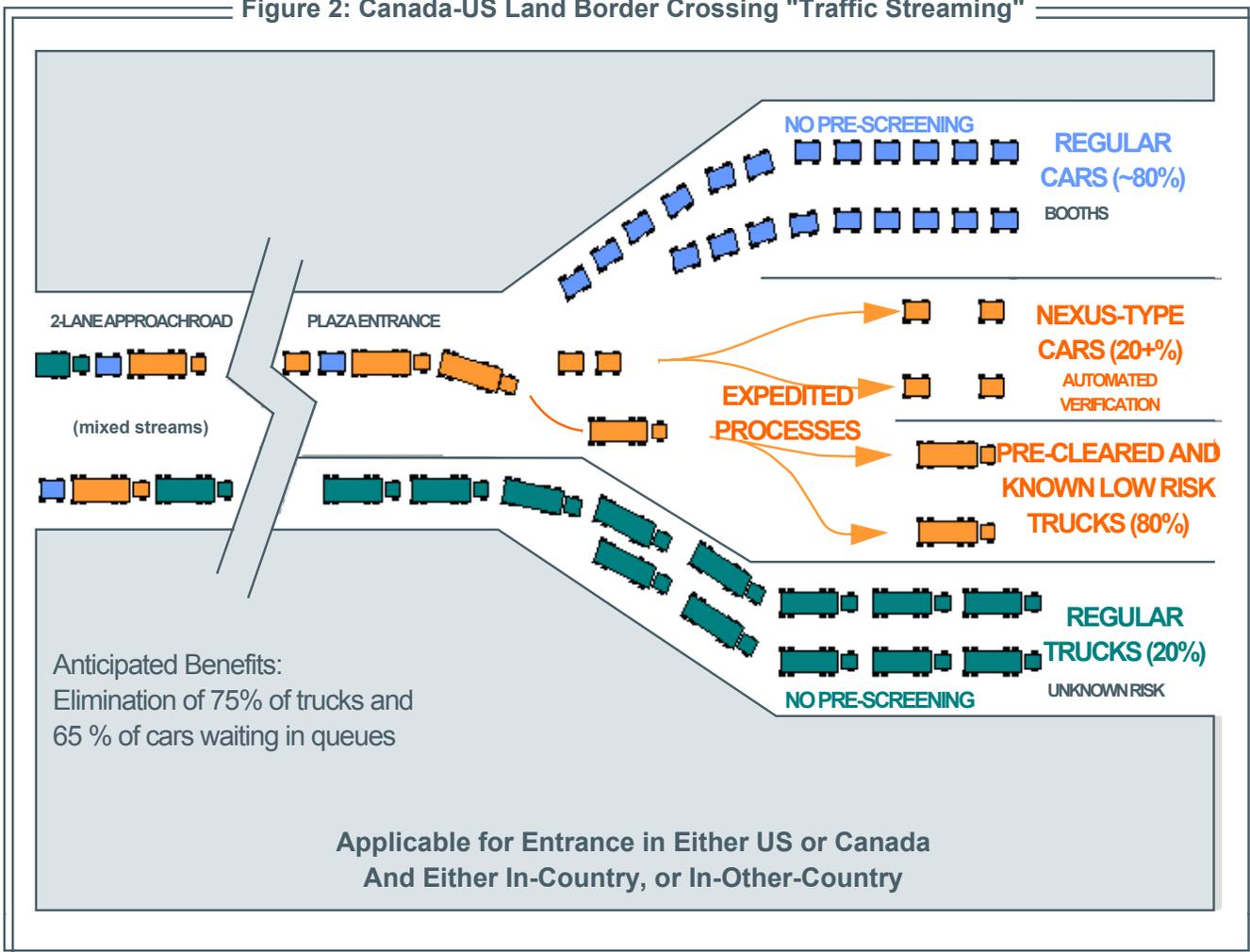


Note:

CSA = Customs Self Assessment; **NCAP** = National Customs Automation Prototype; **PARS** = Pre-Arrival Review System; **BRASS** = Border Release Advanced Screening and Selectivity; **FIRST** = Frequent Importer Release System; **PAPS** = Pre-Arrival Processing System; **RNS** = Release Notification System

3-01

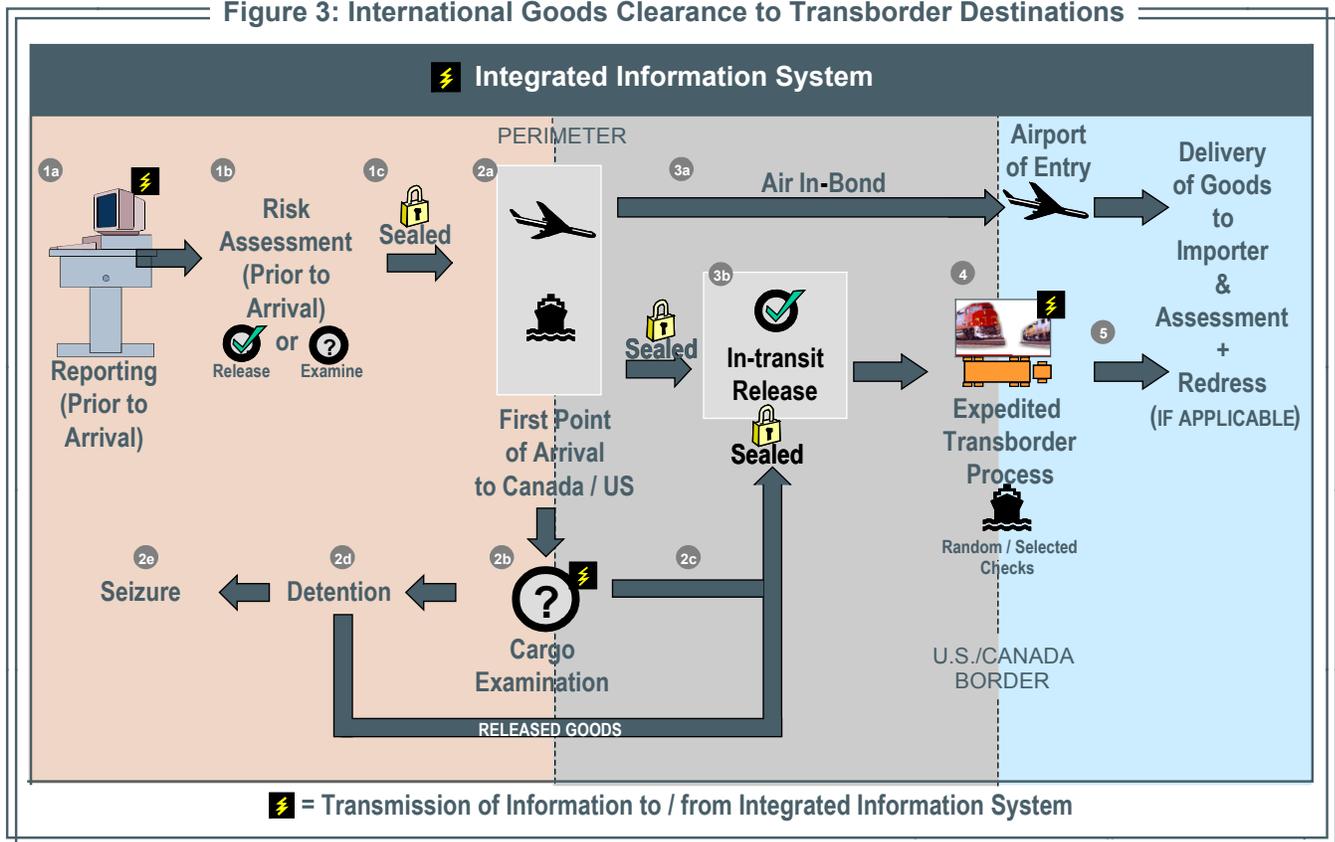
Figure 2: Canada-US Land Border Crossing "Traffic Streaming"



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EXHIBIT 3: PERIMETER CLEARANCE

Figure 3: International Goods Clearance to Transborder Destinations



3-03

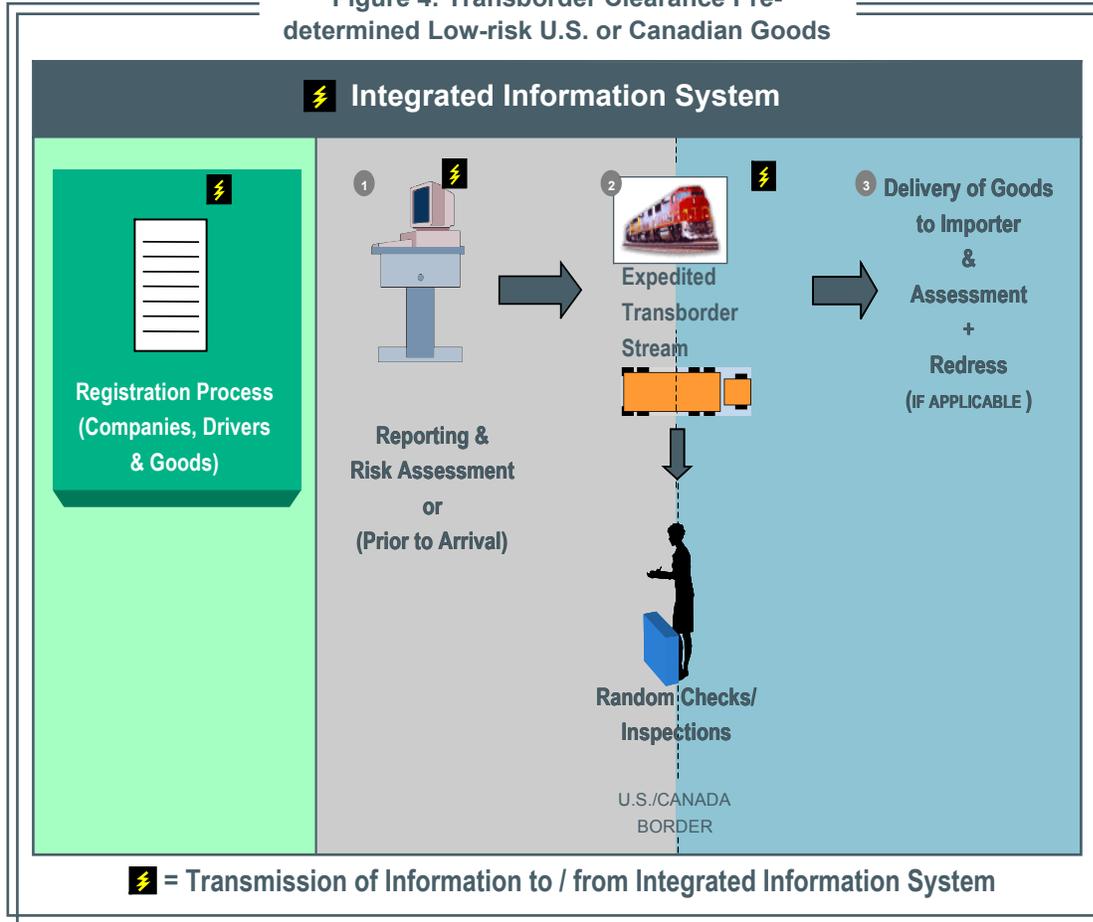
Key Benefits for Goods Transport

The proposed Perimeter Clearance concept for goods has numerous advantages, opening the door for expedited processes through pre-information. Both the existing efforts for electronic clearance and for traffic streaming are integral components of secure and effective border management.

Key benefits include:

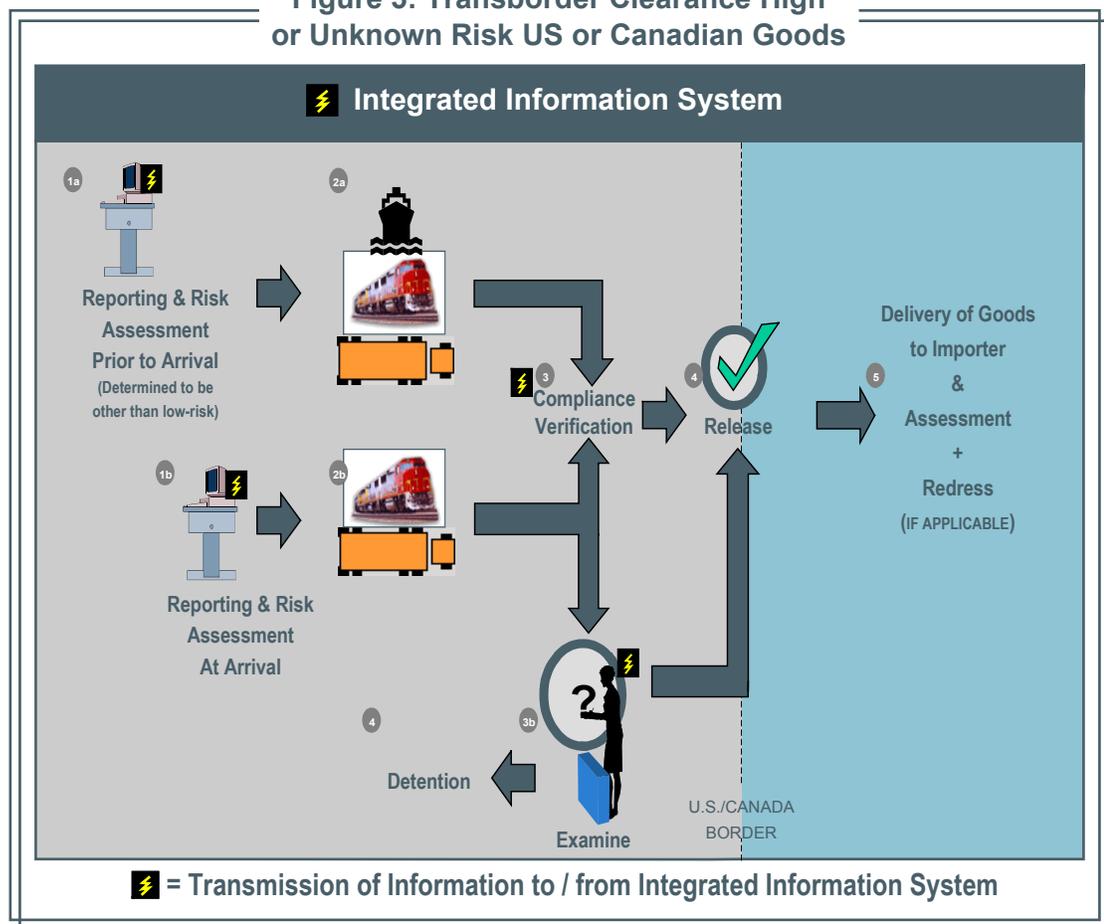
- Elimination of need for full initial customs inspection at U.S./Canada Border
- Reduction in congestion and delay at U.S./Canada border with approximately 80% of trucks clearing at primary without queuing.
- Increased security by pre-screening cargo for risk-level determination and inspection at point of first arrival or before to detect problems at the perimeter.

Figure 4: Transborder Clearance Pre-determined Low-risk U.S. or Canadian Goods



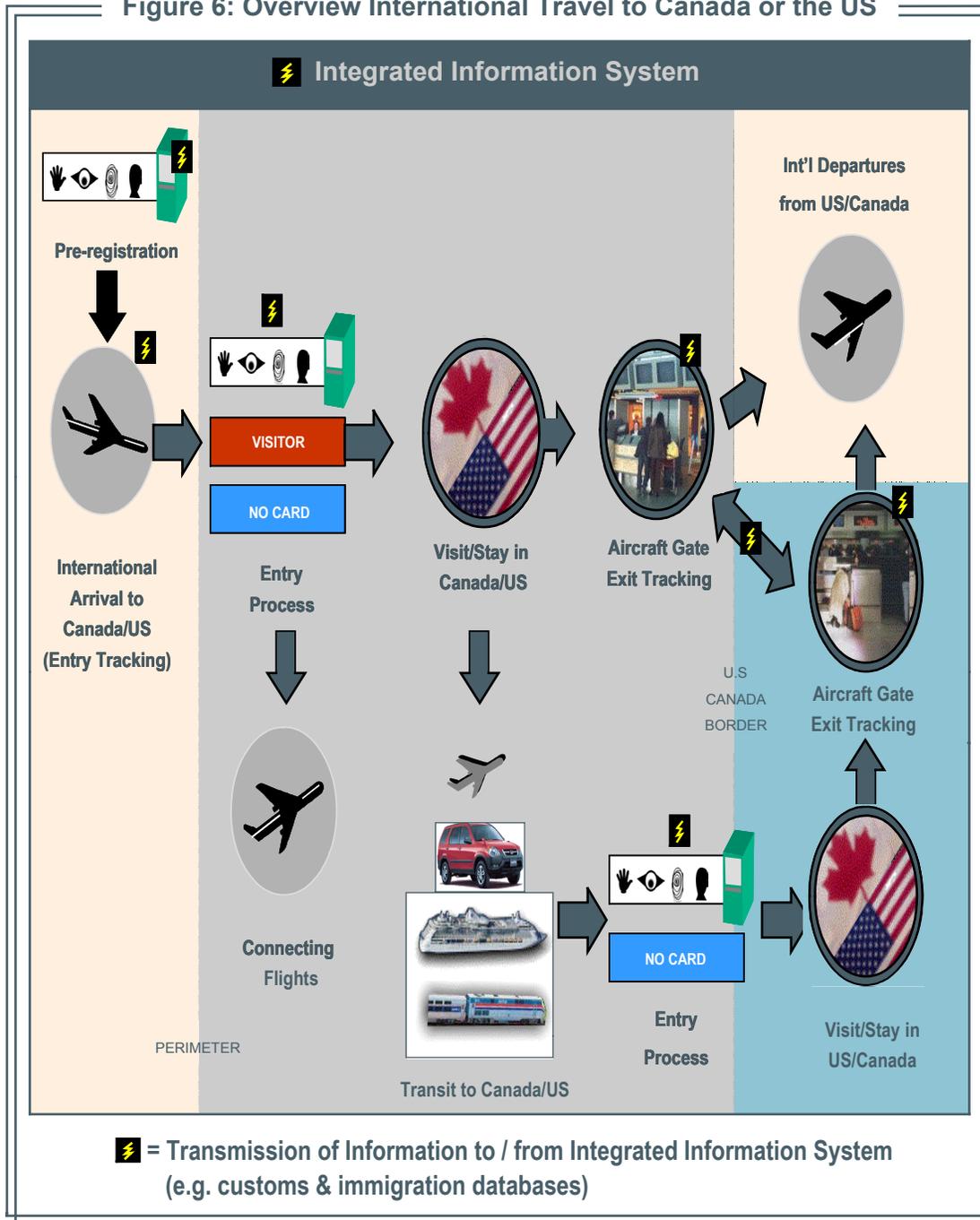
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Figure 5: Transborder Clearance High or Unknown Risk US or Canadian Goods



3-05

Figure 6: Overview International Travel to Canada or the US



3-06